



GANESHA ECOSPHERE LTD.

Registered Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)

NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of the Members of GANESHA ECOSPHERE LTD. will be held on Saturday, the 22nd day of February, 2014 at 2:30 P.M. at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat to transact the following business:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the 'Act') including any statutory modification(s) or re-enactment thereof for the time being in force and enabling provisions of the Memorandum and Articles of Association of the Company and the Regulations / Guidelines/ Clarifications, if any, prescribed/ issued by Securities and Exchange Board of India (SEBI) and any other appropriate Authorities and the Listing Agreement entered into by the Company with the Stock Exchange(s) where the Shares of the Company are listed and subject to all necessary approvals, permissions and sanctions as may be required from any Governmental or regulatory authority and / or all other Institutions and bodies and subject to such condition(s) and modification(s) as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution), the consent and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot 16,25,000 (Sixteen Lacs Twenty Five Thousand) Warrants from time to time or in one or more tranche or tranches, each Warrant entitling the holder thereof to apply for and to be allotted One Equity Share at any time, during such period as may be decided by the Board in accordance with the applicable guidelines and regulations issued by the concerned Authorities, to one or more constituents of the promoter(s) and / or Promoter Group of the Company and / or other persons or entities not belonging to Promoter Group described in the Explanatory Statement annexed hereto which shall be deemed to be a part hereof, whether or not such investors are Members of the Company and such Warrants so issued or allotted shall give rise upon exercise of right to allotment of Equity Shares of an aggregate face value not exceeding Rs. 1,62,50,000/- (Rupees One Crore Sixty Two Lacs Fifty Thousand only) and the issue of Equity Shares upon exercise of right attached to Warrants shall be at a price to be determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or Rs. 40/- per Equity Share, whichever is higher, and upon such other terms and conditions as may be deemed appropriate by the Board and acceptable to the respective investors and permitted under the relevant Guidelines / Regulations in force at the time of issue of such warrants."

"RESOLVED FURTHER THAT the Equity Shares so allotted upon exercise of conversion rights attached to warrants shall rank pari-passu with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the "Relevant Date" for the purpose of computing the Price for issue and allotment of Equity Shares shall be 23rd January, 2014."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to offer, issue and allot requisite number of Equity Shares to the holders of Warrants upon exercise of right to subscribe the Shares."

"RESOLVED FURTHER THAT subject to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable laws, the Board be and is hereby authorized to decide and approve terms and conditions of the issue of above mentioned Warrants including the time, mode and manner of exercise of right to subscribe Equity Shares and to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director(s) or to any Committee of Directors or any other Officer(s) of the Company to give effect to the aforesaid resolution including execution of any documents on behalf of the Company and to represent the Company before any Governmental Authorities and to appoint any Professional Advisors/ Consultants/ Lawyers."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to enter into arrangement/ agreements and to settle all questions, difficulties or doubts that may arise in regard to such issue and utilisation of proceeds of the issue and take all steps which are incidental, consequential, relevant or ancillary in this connection."

Registered Office:

Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat.

Date: 21st January, 2014.

By Order of the Board

(SHARAD SHARMA)
Joint Managing Director

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

- 2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Business as set out above is annexed hereto.**

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In order to meet the requirement of funds for general corporate purposes, the Company proposes to raise funds by issue of 16,25,000 Warrants convertible into / exchangeable with the Equity Shares of the Company at a later date, to Promoter Group and Others as per details given below on preferential allotment basis, in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The salient features of the preferential issue are:

- The holder(s) of each Warrant will be entitled to apply for and obtain allotment of One Equity Share of face value of Rs. 10/- each of the Company against each Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches.
- If the entitlement against the Warrants to apply for the Equity Shares in not exercised within the aforesaid period of 18 months, the entitlement of the Warrant holder(s) to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited.
- The Equity Shares upon exercise of right attached to Warrants shall be allotted at a price to be determined in accordance with the Regulation 76 of the

SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or Rs. 40/- per Equity share, whichever is higher.

- The proposed allottee(s) of the Warrants shall pay, on or before the date of allotment of the Warrants, an amount equivalent to at least 25% of the price per warrant fixed in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the balance 75% of the price shall be payable on or before the conversion of the said Warrants into Equity Shares. The amount so paid on the Warrants shall be adjusted / set off against the issue price of the resultant Equity Shares arising out of conversion of the Warrants by appropriating Rs. 10/- towards Equity Share Capital of the Company and balance amount towards securities premium.
- The Warrants and the resultant Equity Shares to be allotted to the Promoter Group shall be locked in for a period of three years from the date of grant of trading approval or for such period as may be determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Warrants and the resultant Equity Shares to be allotted to the persons other than the Promoter Group shall be locked in for a period of one year from the date of grant of trading approval.
- The right attached to Warrants to subscribe to equal number of Equity Shares of Rs. 10/- each at a price to be determined as per the relevant date, representing 9.67% of the fully diluted Share Capital of the Company shall be exercisable within a period of 18 months from the date of allotment of Warrants as may be finalised by the Board.
- An amount equivalent to the 25% of the price fixed as above is proposed to be called along with the application and the allotment of Warrants shall be made within 15 days of this resolution, however, in the absence of requisite approvals or on pendency of any approval from any regulatory authority, the allotment shall be completed within 15 days from the date of such approval.
- In the event of the Company making a bonus issue by way of capitalization of its reserves, prior to allotment of Equity Shares against the warrants, the number of Equity Shares to be allotted against such warrants shall stand augmented in the same proportion in which the Equity Share Capital increases as a consequence of such bonus issue.
- In the event of the Company making a rights offer by way of issue of new Equity Shares prior to allotment of Equity Shares against the Warrants, the entitlement of the Equity Shares under the Warrants shall stand increased in the same proportion in the rights offer and such additional Equity Shares will be offered to the Warrant holder(s) at the same price at which the existing Shareholders are offered Equity Shares.
- The Warrant by itself, until converted into Equity Shares does not give to the holder thereof any right with respect to that of a Member of the Company except as specified above.
- The present resolution is proposed to be passed, in order to enable the Board to make the above mentioned preferential issue of Warrants subject to receipt of requisite approvals.

Disclosure in terms of Regulation 73(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009:

(i) The objects of the Preferential Issue:

Funds mobilised through proposed issue are intended to be utilised for general corporate purposes. This will also strengthen the financial base of the Company and maximize overall value for all Shareholders of the Company.

(ii) Proposal of the Promoters/Directors/Key Management Personnel to subscribe to the offer:

The following persons being the constituents of the Promoter(s) and / or Promoter Group of the Company intend to subscribe to the Warrants under the said preferential issue:

| Name of the proposed allottee | Category | No. of Warrants to be allotted |
|-------------------------------|---------------------------|--------------------------------|
| Shri Sandeep Khandelwal | Promoter / Promoter Group | 1,37,500 |
| Smt. Ratna Sharma | Promoter / Promoter Group | 85,000 |
| Smt. Vimal Sharma | Promoter / Promoter Group | 2,50,000 |
| Smt. Seema Sharma | Promoter / Promoter Group | 50,000 |
| Shyam Sunder Sharmma HUF | Promoter / Promoter Group | 1,60,000 |
| Sharad Sharma HUF | Promoter / Promoter Group | 1,25,000 |
| Vishnu Dutt Khandelwal HUF | Promoter / Promoter Group | 60,000 |
| Rajesh Sharma HUF | Promoter / Promoter Group | 37,500 |
| Shri Yash Sharma | Promoter / Promoter Group | 1,60,000 |
| Smt. Nirmal Khandelwal | Promoter / Promoter Group | 75,000 |
| Total | | 11,40,000 |

Except as above none of the other Promoter(s) and/ or Promoter Group/Directors/Key Management Personnel intend to subscribe to the said preferential issue.

(iii) Shareholding Pattern of the Company before and after the Preferential Issue:

The Shareholding Pattern giving the present position as also considering full allotment of warrants to the constituents of Promoter(s) and / or Promoter Group and Others and Equity Shares arising out of the conversion thereof is given below:

The above Shareholding Pattern is based on the details as on 31.12.2013

| Category of Shareholder | Before Preferential Issue | | After Preferential Issue* | |
|-------------------------------|---------------------------|------------------------------------|---------------------------|------------------------------------|
| | No. of Equity Shares | %age to Total Equity Share Capital | No. of Equity Shares | %age to Total Equity Share Capital |
| Promoters and Promoter Group | 86,08,310 | 56.69 | 97,48,310 | 57.99 |
| Mutual Funds | 5,500 | 0.04 | 5,500 | 0.03 |
| Financial Institutions/ Banks | 100 | 0.00 | 100 | 0.00 |
| Bodies Corporate | 21,56,898 | 14.20 | 26,41,898 | 15.72 |
| Resident Indians / Others | 43,39,199 | 28.57 | 43,39,199 | 25.81 |
| Non Resident Indians | 75,993 | 0.50 | 75,993 | 0.45 |
| TOTAL | 1,51,86,000 | 100.00 | 1,68,11,000 | 100.00 |

*The above share holding pattern may change from time to time depending upon the transfer of Shares by the existing Shareholders and fresh issue of capital as may be made by the Company.

The voting rights will change in tandem with change in shareholding pattern. The allotment of Equity Shares on conversion of Warrants will be made in one or more tranche(s) in compliance of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Note:

The above mentioned shareholding pattern is based upon the following assumptions:

- a) The Warrant holders would exercise the option to convert their entire Warrants to which they may be entitled.
- b) The shareholding of other shareholders does not change.

(iv) Proposed Time within which the Preferential Issue shall be completed:

The allotment of Warrants on preferential basis shall be completed within a period of 15 days from the date of passing of the Special Resolution by the Shareholders, however, in the absence of requisite approvals or on pendency of any approval from any regulatory authority, the allotment shall be completed within 15 days from the date of such approvals.

(v) The Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:

| Name(s) of the Proposed Allottee(s) and (the natural person(s) who are the ultimate beneficial owners of the Shares proposed to be allotted and / or who ultimately control) | Identity of the Proposed Allottees | Before Preferential Issue | | After Preferential Issue * | |
|--|------------------------------------|---------------------------|------------------------------------|----------------------------|------------------------------------|
| | | No. of Equity Shares | %age to Total Equity Share Capital | No. of Equity Shares | %age to Total Equity Share Capital |
| Shri Sandeep Khandelwal | Promoter / Promoter Group | 20,550 | 0.14 | 1,58,050 | 0.94 |
| Smt. Ratna Sharma | Promoter / Promoter Group | 2,04,700 | 1.35 | 2,89,700 | 1.72 |
| Smt. Vimal Sharma | Promoter / Promoter Group | 3,15,000 | 2.07 | 5,65,000 | 3.36 |
| Smt. Seema Sharma | Promoter / Promoter Group | 2,37,965 | 1.57 | 2,87,965 | 1.71 |
| Shyam Sunder Shamma HUF | Promoter / Promoter Group | 7,000 | 0.05 | 1,67,000 | 0.99 |
| Sharad Sharma HUF | Promoter / Promoter Group | 16,606 | 0.11 | 1,41,606 | 0.84 |
| Vishnu Dutt Khandelwal HUF | Promoter / Promoter Group | NIL | NIL | 60,000 | 0.36 |
| Rajesh Sharma HUF | Promoter / Promoter Group | NIL | NIL | 37,500 | 0.22 |
| Shri Yash Sharma | Promoter / Promoter Group | NIL | NIL | 1,60,000 | 0.95 |
| Smt. Nirmal Khandelwal | Promoter / Promoter Group | NIL | NIL | 75,000 | 0.45 |
| Essel Industries Private Limited | Body Corporate(Non-Promoter) | 3,00,453 | 1.98 | 7,85,453 | 4.67 |

*Assuming full exercise of right attached to Warrants.

Due to above preferential allotment of warrants and the resultant issue of Equity Shares, no change in management control is contemplated.

The Auditors' Certificate to the effect that the present preferential allotment of Equity Shares/ Warrants is being made in accordance with the Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, shall be placed at the Meeting.

In terms of Section 81(1) of the Companies Act, 1956 in the event of a Public Company proposing to increase its subscribed capital by way of allotment of further shares in the circumstances specified therein, it is required to offer such shares to its existing equity shareholders in the proportion of their respective equity shareholdings in the Company. Pursuant to Section 81(1A) of the Companies Act, 1956, a Public Company may offer its shares/convertible instruments in any manner whatsoever to persons other than those mentioned in Section 81(1), if a special resolution to that effect is passed.

The consent of the Members is thus being sought to issue 16,25,000 Warrants convertible into/ exchangeable with the Equity Shares of the Company at a later date, to constituents of Promoter / Promoter Group and Others on the aforesaid terms and conditions, pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956 and also in accordance with other applicable guidelines, rules, regulations in force.

The Directors recommend the above Special Resolution for Members' approval.

Except Shri Shyam Sunder Shamma, Shri Vishnu Dutt Khandelwal, Shri Sharad Sharma and Shri Rajesh Sharma, no other Director of the Company may be deemed to be concerned or interested in the resolution.

All the documents referred to in the accompanying Notice are open for inspection of the members during business hours on all working days up to the date of the Meeting.

Registered Office:

Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat.

Date: 21st January, 2014.

By Order of the Board

(SHARAD SHARMA)
Joint Managing Director



ATTENDANCE SLIP

GANESHA ECOSPHERE LTD.

Registered Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Attendance Slip on request.

NAME AND ADDRESS OF THE SHAREHOLDER(S)

.....

Folio

DP ID No.*

Client ID No.*

No. of Shares held:

I hereby record my presence at the Extraordinary General Meeting of the Company on Saturday, 22nd February, 2014 at 2:30 P.M. at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.

.....

SIGNATURE OF THE SHAREHOLDER/PROXY**

* Applicable for members holding Shares in Electronic form.

** Strike out whichever is not applicable.

..... (Cut Here)

PROXY



GANESHA ECOSPHERE LTD.

Registered Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.

Folio No.

DP ID No.*

Client ID No.*

I/We.....R/o.....

.....being a member/ members of **GANESHA**

ECOSPHERE LTD. hereby appoint.....

.....R/o..... or failing

him..... R/o.....

.....as my/our proxy to vote for me/us on my/our behalf

at the Extraordinary General Meeting of the Company to be held on Saturday, 22nd February, 2014 at 2:30 P.M. at the Registered Office of the Company, or at any adjournment thereof.

Signed this.....day of2014.

Signed

Affix a
15 Paise
Revenue
Stamp

*Applicable for members holding Shares in Electronic form.

Note: The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time fixed for commencement of the aforesaid meeting.

BOOK-POST

If undelivered, please return to:

GANESHA ECOSPHERE LTD.
113/216 - B, First Floor,
Swaroop Nagar
Kanpur - 208002